



## Annual Report Fiscal Year 1999

**TO:** SEGA/MESP Policy and Operations Committee

**From:** Michael Anderson, Chief of Party

**DATE:** February 2000

**SUBJECT:** SEGA/MESP Achievements to Date & Objectives over the Next Three Years

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### **I. An Assessment of Achievements in the first 18 months of operations**

The SEGA/MESP project began in January 1998. In formal terms it has carried out under its four main activities the following:

#### **A. Mandela Economics Scholars Programme**

- MESP has carried out two selection cycles and has sent 26 candidates to the United States for studies, 20 Masters candidates and six PhD. During the school term beginning in Sept. 1999, there will be 33 students enrolled in US graduate economics programs<sup>1</sup>. We have initiated a third cycle and expect to have received by September 3<sup>rd</sup> some 200 applications for 25 places for the year 2000 intake.
- Currently 12 scholars have completed their studies, half of whom have taken up or will soon be placed in Government positions. Four others are still in the job market. Most of these returning scholars have returned from other programs—not the Nathan Associates' MESP program which began with the 1998 intake only.
- A contract for scholars to commit them to Government service upon their return was developed jointly by the Department of Education, DPSA and USAID.

#### **B. Short-term Training**

A variety of short-term training programs have been carried out over the past 18 months representing approximately 125 person/months of training. The programs range from basic economic literacy to highly specialized ones as, for example, the Public Utilities Pricing and Regulation and WTO Seminars. Costs have varied depending on the degree of specialization, the quality of the program, the location, and the use of international presenters, among other things. A comparative chart is presented as Annex II and Annexes III and IV summarize the

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<sup>1</sup> including those managed by IIE another USAID contracted agency.

characteristics of the participants. The total expenditure on short-term training to date is approximately USD 724,000.

## **C. Support to Government**

SEGA has been supporting 33 distinct activities (aside from short-term training) in cooperation with six departments and the Coordination and Implementation Unit of the Office of the President as indicated in the attached Excel table (Task Order Status). These ongoing and completed projects cost approximately USD 3.1 million. They represent approximately 352 person months of consultant time, over 80 percent being South African consultant/months. A few of these activities have been completed. Most of the remaining ones should be completed during the next three months. All SEGA approved activities are currently either in execution or completed. None remain to initiate.

## **D. Support to Centers of Excellences**

The development of a strengthened Department of Economics at UWC is progressing steadily. Finance and Development Training and Research Unit (FADTRU), the unit which will take the lead in this development, has now been formally established, with a constitution, work plan and steering committee. The infrastructure available to the unit for research and teaching has been strengthened significantly and plans are in place to increase the personnel complement.

The unit is beginning to produce results reflecting its increased strength. Student numbers have increased slightly, although this is clearly a longer term indicator. The first economic literacy workshop presented by the unit was adjudged highly successful by its participants, and two more will be presented in September. The unit has begun to develop what will be its research niche, namely microsimulation modeling.

In sum, FADTRU has a work plan in place that provides for a steady strengthening of all facets of the Department of Economics' activity, and thus far the work planned is proceeding on schedule. To date the project has expended approx. USD 200,000. Expenditures budgeted in the Work Plan to June 2000 amount to approximately USD 700,000. The total expended by June 2000 is about 53 percent of the funds allocated to this activity.

## **E. Support to economic research through NGOs and Universities**

Since inception of the program the Support to Economic Think Tanks (SETT) has had three (3) major selection cycles and awards over the last 18 months.

At the Policy Forum on January 20, 1999, the idea of funding NGOs through a "Bubble" emerged. The concept of a "Bubble" is that we will take funds from IR3 (SEGA) and create a special fund for Government prioritized projects. The objectives and results of this activity could be linked to IR2's set of objectives. The main thrust of the special fund is to make money available for government and NGOs to work together on integrated projects. An organization called LIMA Rural Foundation submitted a proposal that focused on land tenure on tribal land.

As a result of the NGO consultative meetings and other discussions with the universities, SEGA is also funding University and Technikon research institutes separately from NGOs. The view is that the potential to generate economic policy and research exists within the think tanks attached to universities and technikons, and the research generated from these institutions should inform the policy debate in a more proactive manner.

A third cycle began in June 1999 calling for proposals from research institutes associated universities and technikons to fund up to USD 500,000. Successful grants to NGOs and those proposals from University Research Institutes currently under review are listed in Annex V.

SETT: Summary of obligated funds

Non-Governmental Organizations	Government Supported Grants (Bubble)	Research Institutes
AIPA - \$358,000 EPRI - \$260,000 DPSA - \$250,000 NIEP - \$350,000	LIMA - \$150,000	\$500,000

Total funds obligated	<u>\$1,868,000</u>
Total uncommitted	<u>\$ 832,000</u>

## F. The Quarterly Monitor

The Nathan Associates Consortium has begun publication of its Quarterly Monitor of South African Economic Policy and Research. Its objective is to encourage economic policy dialogue and the diffusion of information regarding on-going research and economic resources. A copy of the 1<sup>st</sup> Quarter Report was sent to all members of POC. The 2<sup>nd</sup> Quarter report should be available for our September 3<sup>rd</sup> meeting. A Web Site is also being developed.

## II. The Next Three Years

As you are all aware, Government demands for funds have far exceeded expectations. The projects we have supported to date will be important in the development of future policy formulation and we have been pleased to support them. But unfortunately we have run out of funds to continue. USAID has therefore agreed to place additional funds into the project.

### MESP

- Selection--Selection of the year 2000 intake of Mandela Scholars will begin shortly. If this year's pool permits, we could increase from 15 to 25 the number of scholars selected<sup>2</sup>. This would be the largest group selected, with the 2001 group being the last group under the current USAID contract with Nathan Associates.
- Program Placement— All the selected candidates have been placed despite low test scores in many cases. A majority of them have been placed in more than one university, thereby giving them the choice to select the school they wish to attend. Cost-sharing arrangements have been negotiated with U.S. universities in a majority of these placements.
- Performance<sup>3</sup>— We are pleased to report that almost all the scholars are doing well in their degree programs. Given our concern over the lack of math skills for the most part and the relatively low test scores (Graduate Record Exams), this comes as a pleasant surprise. We thought that special math training might be required for scholars before their departure from South Africa but it appears that the graduate preparatory program at the Economic Institute (EI) in Boulder Colorado is sufficient. The summer program at EI consists of two 5-week sessions. Each session, the Scholars take at least 2 courses in math, statistics or economics after a placement test conducted by EI. The Scholars have reported that these preparatory courses, while intensive, have been extremely helpful in making up their deficiencies and preparing them for their Masters and Ph.D. programs at the universities they attend. It also confirms Aurora Associates' experience working with students from South Africa that they generally perform very well in U.S. universities if a school is willing to accept them.
- Government Placement— MESP scholars are expected, and indeed contractually bound, to work for government on their return to South Africa. In practice, some of them experience difficulty in finding suitable posts and remain unemployed for significant periods of time. Not only is this a waste of the scarce skilled human resources that SEGA/MESP was set up to supplement, but also it is frustrating for the scholars concerned and unfair to those who have families to support and urgently need a source of income. Those scholars who are not returning to government jobs spend their last semester in the United States under considerable anxiety due to the uncertainties of finding a job upon their return.

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<sup>2</sup> Sixteen candidates were selected for 1999 placement, but four dropped out during the placement stage for various personal reasons. Therefore in selecting candidates for the 2000-Intake, the possibility of some dropping out should be taken into consideration.

<sup>3</sup> We refer to the performance of those scholars monitored by Nathan Associates, as we do not receive reports on scholars who are managed by IIE.

In the original conception of MESP, job placement for returning Scholars was assumed to be a fairly straightforward process, one that was mainly considered a government responsibility. Nathan Associates is assisting in the placement of scholars, and has been successful in doing so in a number of instances.

However, it has become clear that significant barriers to placement exist. These barriers exist on the side of both scholars and the government.

### The Scholars

The one characteristic that binds the returning scholars together is their US graduate degree in economics. Other than that, they are a diverse group of individuals some of whom have the personalities, experience, ambition and maturity to make them eminently attractive to potential employers. Others are less attractive to potential employers, and some have an acute sense of self worth far out of line with their potential employment possibilities. Some scholars return with little interest in working for government, or refuse to accept positions that they consider below their expectations. The contract recently developed between government and the scholars will help to clarify the obligations of the scholars to work for government in the future, but it's not a terribly strong one, if the scholar chooses to get around it. Far more important, we think, is how the government receives the scholars upon their return. It's easy for the scholars to find excuses if the government itself is not accommodating.

### The Government

Vacant posts in government are generally filled as quickly as possible through a competitive process that necessarily has its own time frame which is oblivious to the return of MESP scholars. It is thus quite coincidental if a suitable vacancy happens to become available, in just the right area of specialization, at just the right time for a MESP scholar to slot into it. Thus it is probably fair to say that the reasonably high success rate of placement to date is attributable to the relatively low number of scholars that have returned thus far. As the MESP program accelerates, it seems quite possible, and perhaps quite likely, that more and more scholars will be faced with unacceptably long periods of unemployment.

Nathan Associates' attempts to assist with placement, through personal contacts, through searches of advertised vacancies, through job fairs and the like have not proved adequate to deal with this situation. It is possible that government itself could find a solution—indeed our concern is shared by a number of people at the Departments of Education and Public Service and Administration as well of course as by members of our Policy and Operations Committee. Pending any concrete developments from Government, however, the following strategy is proposed, at least as an interim measure.

This strategy rests on the belief that it is not necessary for someone to be in government in order to work for government. Indeed, the consultants on all the SEGA project teams work for government without being in government. Thus Nathan Associates proposes to set up an internship program to employ MESP scholars from the time of their return to South Africa until they can find posts in government.

During their time as interns, the scholars will work on SEGA project teams, thus in part replacing the more junior researchers who are currently already added to those teams in order to build capacity and provide cost-effective support to the more senior team members. The interns will also be given appropriate training, for example in project management and budgeting, which will complement their academic knowledge with job-related skills.

It must be emphasized that the internship program is intended to provide only temporary employment to returning scholars, serving as a stepping-stone to permanent work within government. The program will be successful to the degree that the interns are head-hunted by government clients!

It is believed that the internship program will have a number of advantages:

- It will strengthen two areas in which the returning scholars are the weakest at present, namely their lack of experience and their lack of exposure to potential employers. Through the mentoring that can be provided by senior project consultants as well as Nathan Associates personnel, they will acquire valuable experience of real-world research. Through the regular contact that project teams have with their clients in government departments, each intern will be introduced to potential areas of work and will have the opportunity to prove his or her capabilities as well as to find a suitable niche.
- Assuming that new SEGA projects continue to be initiated, it will make the returning scholars productive almost immediately after their return as projects that could accommodate them are being launched on a regular basis.
- It will alleviate the panic which the MESP scholars experience when facing a return to South Africa without work, and reduce the urgency in finding work which may make some of them square pegs in round holes which they will vacate as soon as their contractual commitment to government has been met. In this way, it may help to make the MESP program more valuable to government over the longer term.

It is estimated that an intern could be employed by Nathan Associates for approximately R12,000 per month. This is a relatively low amount in comparison to the roughly R250,000 per year that is spent on training each MESP scholar, and would be a cost-effective expenditure if, as has been suggested above, it could add value to that training and enhance its accessibility to government.

Initially, it is envisaged that interns living in Pretoria or Johannesburg could be accommodated in the program, with a base in Nathan Associates' Pretoria office. If the program is successful, it could subsequently be extended to accommodate interns in the Western Cape, with a base at the University of the Western Cape.

Several other initiatives have grown out of MESP. First, the recognition that MESP has become an increasingly prestigious program and should endure beyond the life of the SEGA/MESP project. USAID is working with Nathan Associates to provide an endowment for MESP to provide a permanent fund for scholars. Second, the MESP

selection panel has identified a number of potentially deserving scholars, who for a number of reason, would be better suited to a domestic scholarship. USAID has obtained funding for such domestic bursuries and is working closely with the project to motivate interest among applicants to consider such an opportunity. Third, a more flexible means of utilizing returning scholars through internships will be considered by the MESP Selection Panel at its next meeting. Three modes of internships might be considered:

1. Internships directly through SEGA/MESP on suitable projects with supervision by MESP/SEGA and USAID staff economists;
2. As a pool of research assistance to be made available to SEGA projects, e.g., the firm survey being carried out by the Office of the President;
3. Temporary or fixed term requests directly from Government Departments.

## **Short-term Training**

Recently it was reported in newspapers that 81 percent of staff of the Reserve Bank is pale and male. The papers reported that Mr. Tito Mboweni, the Governor of the Reserve Bank intended to change this ratio to 50 percent black and 33 percent women by the year 2005. If those are hard targets, Mr. Mboweni and indeed the entire government will need to push hard on both its short-term and long term training goals. Short-term training is but one of our training initiatives, the others being directly through the UWC and MESP and indirectly through our grants program and other non-short-term training government support activities.

1. **Is the expenditure on short-term training, representing approximately 27 percent of our direct budget support to government (IR2) sufficient?**
2. **To increase short-term training, what do we give up—other direct government supported programs, grants, centers of excellence support?**

### **In-country training strategy**

In a discussion paper dated 12 August 1998, prepared for the (then) Policy Forum, Nathan Associates indicated that its in-country training strategy would be based on five initiatives. These were:

1. Economic literacy workshops (ELWs);
2. More advanced economics training courses and seminars;
3. University certificate program;
4. A winter school program;
5. Strengthening the teaching capacity HDUs.

Progress in terms of Initiative 5 is linked to progress in strengthening the Department of Economics at UWC, a topic discussed elsewhere in this briefing paper. The discussion here is thus confined to the first four Initiatives.

The in-country training strategy commenced with the design and presentation of a series of ELWs by BEPA. The budget allocated to this activity initially envisaged that the series would consist of ten ELWs, but savings that have been achieved have allowed this to be extended to fourteen. Ten ELWs have been presented to date.

The ELWs were initially viewed as being experimental. It was not known whether a real demand existed for them within national government departments. Nor was it certain that the economics discipline could be demystified sufficiently to be introduced in the space of a week to people who had never encountered it before, without at the same time becoming so empty of content as to be quite worthless as a body of knowledge.

These anxieties were speedily put to rest. From the first, the ELWs were received with considerable enthusiasm by the participants, by now totaling almost three hundred. It can therefore be concluded that the experiment has been a success. Nathan Associates feels that, in the light of this, the responsibility for presenting ELWs for national government departments in future should be taken over by government itself and would like the Policy and Operations Committee to give its attention to this matter.

For its part, Nathan Associates is now extending the experiment to the provinces. As part of its work plan for 1999, FADTRU (The Finance and Development Training and Research Unit) at UWC will use the course material prepared by BEPA to present ELWs in the three Cape provinces – Northern, Eastern and Western. The ELW for the Northern Cape has already taken place and was so well received that FADTRU is considering providing ELWs for the remaining six provinces in 2000.

Participants at all the ELWs held to date have been asked whether, based on that experience, they would like to receive further training in economics of the type envisaged in Initiatives 2, 3 and 4. Their response has been exceptionally positive, and as soon as funds become available Nathan Associates will begin to implement these further Initiatives.

In terms of Initiative 2, a need has thus far been identified for a specialized training course in labor economics for some of the many personnel members from the Department of Labor who have participated in the ELWs, and there appears to be a need in provincial government for a course in public budgeting.

As regards Initiative 3, certificate courses already exist at both BEPA and UNISA, and no further development work is necessary. What is needed, however, is funding for bursaries. While many of the participants in ELWs have indicated that they would be interested in studying for a certificate, few if any have so far enrolled to do so. It appears that the reason for this is that the cost of the certificates, while modest, is nevertheless prohibitive, especially as no immediate financial reward would accrue to someone obtaining a certificate. USAID/Pretoria has as yet not been successful in the attempts that have been made to obtain funding for bursaries from sources outside SEGA/MESP. Nathan Associates believes that this is an issue that deserves the attention of the Policy and Operations Committee, as there is a real danger that the gains in economic knowledge that have been achieved through the ELWs could be dissipated if provision is not made for adequate follow-up which would satisfy the participants' apparently very real desire for further training.

No consideration has as yet been given to the implementation of Initiative 4, mainly because Initiatives 2 and 3 are believed to be of greater priority and should be first to qualify for funding when it becomes available.

1. *The Best Approach is for Government to continue the ELWs—who, when and if no other sponsor can be found should they be continued by Nathan Associates?*
2. *The ELW represent a supply side approach to training—being relatively cheap to operate and administer. Such an approach would be a reasonably efficient way to penetrate non economic core departments and other levels of government. Should we proceed to develop such courses even without guarantees of an eventual government takeover?*
3. *Move forwards on initiatives 2 and 3—independent or dependent of what happens to ELWs?*

## **Government Support**

Revisiting the debate on allocation of funds—the national—provincial mix, the core economic – non-core departments—global Department-Wide vs. project by project approvals in the light of current projects and future demands.

During our May working sessions with the POC subcommittee, it was agreed to allow Departments flexibility in allocating funds between projects to cover shortfalls as they might occur and to avoid time consuming and tedious processes to approve small but inevitable adjustments. Generally the process has worked well and the Departments involved have been careful and responsible with their allocation of SEGA resources.

When additional resources become available, Nathan Associates will begin the development of a new set of projects, as prioritized by this committee. However, it is also aware that several client Departments have already expressed interest in continuing the funding relation they have with SEGA as their work plans call for many new initiatives that will need such support. Moreover, many if not most of the current projects that SEGA is funding, have made excellent progress and have had or are expected to have a substantial policy impact. Many of these will go into a second phase and anticipate SEGA support for this next phase. Finally it may be recalled, that SEGA was originally conceived of as a passive activity. The Committee instructed SEGA to prepare guidelines and circulate those among government entities who would then solicit projects as needed following those guidelines. Annex VI contains a list of those project proposals that we have received so far.

Nathan Associates has no objection to developing projects in non-economic core departments, in the provinces and the like. Indeed, we welcome such projects. But they will be administratively more expensive to manage than those which we have developed so far. But what do we do about those three areas mentioned above?

1. **Should POC request Core Departments to prepare work plans for funding, or continue working on a project-by-project basis?**
2. **Would POC consider reviewing projects that are unsolicited as indicated in Annex VI?**
3. **Would POC want to limit our activities with non-economic core departments to low-administrative cost activities, for example, general economic, budgeting, planning type courses similar to the Economic Literacy Workshops?**

## **Centers of Excellence**

FADTRU was initially conceived within the overall SEGA/MESP project as a “Center of Excellence”. It was designated as such by the Committee of Vice-Chancellors of Historically Disadvantaged Universities. However, it soon became clear that this vision, whatever the Committee had meant to imply by it, was overly ambitious. Although the Department of Economics at UWC had historically been a strong one, much of this strength was dissipated after 1994 when teaching staff left to take up other employment. The Department in early 1998 was under-staffed, under-funded and under-motivated, able to do little more than teach economics to large classes of undergraduate students. Far from being an ideal platform from which to launch a Center of Excellence, this Department was not even pursuing most of the activities routinely expected at any of the historically advantaged universities.

As has been pointed out in quarterly reports to the Policy and Operations Committee, this situation made it necessary to modify SEGA/MESP's initial high aspirations for FADTRU. Over the short to medium term at least, the best that could be realistically hoped for would be a stronger Department of Economics with FADTRU operating as its research unit. The work plan that FADTRU has drawn up and committed itself to, with a time horizon of June 2000, makes provision for this. It includes activities such as:

- strengthening the computing and library facilities available to staff and students very substantially;
- presenting economic literacy workshops to provincial government officials;
- presenting workshops, courses and seminars on technical economic topics;
- establishing research capacity in the chosen niche area of microsimulation modeling;
- presenting seminars by visiting local and international lecturers;
- staff development through attendance of conferences and courses; and
- increasing the experience within the Department through the creation of a new Professorship and provision for visiting US fellows.

This proposed program will make the Department different to what it was a year ago, and constitutes an admirable degree of evolution. It will stretch the capacity of personnel members, but probably not beyond their capability. It is also a laudable response by them to circumstances not of their own making; they did not choose to become a Center of Excellence, but had, so to speak, such greatness thrust upon them.

But what of the next three years? Does FADTRU constitute the acorn from which will spring a mighty oak tree, a real Center of Excellence? Possibly and hopefully yes, but probably no. FADTRU has many handicaps to overcome. There is much competition for good students and good staff from other universities. Three years is short a time span to achieve a CERT as envisioned in the original Results Package.

The scenario that appears most likely at present is one of continued, but modest, growth in the overall strength of FADTRU and the Department, and of a series of work plans that look much like the one that has already been compiled. Looking back to the situation that initially confronted the SEGA/MESP project, this is an achievement that, while far from the original design, should not be underestimated.

The major successes of the last 18 months, the establishment of FADTRU's management committee, the development of a two year revolving work plan and the approval of an international professorship should be built on quickly. The agreement between SEGA/MESP, USAID and the FADTRU management committee to revise the work plan semi-annually should be a major milestone in the evolution of FADTRU's commitment to become a center of excellence and the next revision due in January, 2000 should be a major event—perhaps involving not only the project, USAID and FADTRU, but also the SEGA/MESP Policy and Operations MESP subcommittee (representing government), other HDUs and the private sector. Finally, the project should encourage a rapid search for the international professorship.

## **Support to Economic Think Tanks**

Depending on whether or not additional funds are directed towards NGOs and the Research Institutes, SEGA anticipates having one more combined NGO/Research Institutes competition early in the year 2000.

All awards allocated under the grants portfolio consist of multi-year funding, which terminate sometime in 2002/3. A great deal of time will be spent on managing the programmatic, administrative and financial aspects of the grants. Once the awards expire, final close-out procedures will be implemented.

## **Policy and Operations Committee Procedures**

The Office of the President has sent a letter to each of the following Departments requesting the designation or reconfirmation of their representatives to POC. We have had only a few official confirmations to date.

In order to expedite its decision making process, POC has agreed to carry out much of its work via email. We would like to suggest a refinement to this process: POC names the chairs each of the following subcommittees except the ad hoc committee and includes as members anyone expressing interest in the subcommittee.

MESP subcommittee – To select and manage the Mandela Economics Scholars Program.

Proposed membership: Department of Education, Chair; Department of Finance; Department of Labor; DPSA; University representative;

SEGA subcommittee – To review all SEGA projects with the authority to approve short-term training and technical assistance projects of less than USD 30,000. Proposed membership Department of Finance, chair; Department of Agriculture

Support to Economic Think Tanks subcommittee – To review and select proposals submitted that support university and NGO economic think tanks. Proposed membership: Office of the President, chair; Department of Environmental Affairs and Tourism

Centres for Economic Excellence (CEE) subcommittee – To review progress in the implementation of the Centres of Excellence at historically disadvantaged universities. Proposed membership: Office of the President, Department of Education and other potential users.

Ad hoc subcommittees – To review projects over USD 30,000, policy issues and other matters. Members to be appointed by the Chair of POC as required.

Nathan Associates will work with the subcommittees as usual, but notification of meetings and decisions will be circulated by email to the full POC committee. Anyone who wishes to attend a meeting or express an opinion may do so by responding to the email circulated.

Regarding the ad hoc subcommittees, the chair will appoint a POC member as head and the entire POC committee will constitute the subcommittee. If documents such as project proposals, are to be distributed, Nathan Associates will circulate a notice so that members may submit an expression of interest to receive such documentation. In general, a lack of response will be considered acceptance of a committee proposal.

## Annex I: MESP SCHOLARS – IN US/SOUTH AFRICA – 1996/99

INTAKE YEAR	MANAGEMENT	SCHOLAR NAME	SCHOOL	DEGREE	FIELD	COMPLETION DATE	EMPLOYMENT STATUS	Available
1997	IIE	Shadrach Appanna	Howard University	MA	Commercial Economics	1999/5	Completed but has remained in US until August, possible job with Dept. of Finance upon return	Yes
1996	IIE	Mpho L. Chaleka	Western Illinois Univ.	MA	Economics	1998/5	Completed but has remained in US to continue studies	No
1996	IIE	Rekwele Matli	SUNY/Albany	MA	Economics	1997	Completed early and returned Currently consulting for DTI and DBSA	No
1997	IIE	Yasmin Dada	SUNY/Stony Brook	PhD	Health Economics	2001/5		No
1997	IIE	Thokozile Fakude	Williams College	MA	International Economics	1998/6	Returned Currently working for Mpumalanga Parks Board	Yes
1996	IIE	Frances E. Farquharson	SUNY - Buffalo	MA	Industrial Economics	1998/5	Returned Working for Coca-Cola	No
1996	IIE	Templeton Zolile Feketha	Oklahoma State Univ.	MA	Regional Economics	1999/8 Changed from PhD	Looking for job.	Yes
1997	IIE	Peter Jacobs	Fordham University	PhD	Development Economics	May 2001		No
1997	IIE	Ashraf Kariem	Temple University	PhD	Industrial Economics	May 2001		No
1997	IIE	Mxolisi Landu	University of Houston	PhD	Econometrix	May 2001		No
1997	IIE	Mashadi Manong	Howard University	MA	Urban Economics	May 1999	Returned Gone to old teaching post	Yes
1997	IIE	Nonceba Mashalaba	Oklahoma State Univ.	PhD	Development Economics	May 2001		No
1998	IIE	Jonas Mhlarhi	Vanderbilt Univ. or Western Illinois	M.A	Economic Development	May 2000		No
1997	IIE	Thabo Mokoena	State Univ. of New York- Buffalo	MA	Regional Economics	Dec 1999 Changed from PhD	Awaiting DTI's final decision	Yes
1998	IIE	Lazarus Monyane	Western Illinois Univ.	M.A		May 2000		No
1996	IIE	William S. Mothibedi	University of Arkansas	M.A	Agricultural Economics	May 1998	Returned Dept of Finance	No
1996	IIE	Khathutshelo R. Todani	University of Minnesota	PhD	Applied Economics	May 2000		No
1998	SEGA	Amiena Bayat	Williams College	M.A	Development Economics	May 1999	Returned Begin Dept Finance 10/1999	No

1998	SEGA	Thabo Gopane	Georgia State Univ.	PhD	Financial Economics	2002		No
1998	SEGA	Malcom Keswell	Univ. of Massachusetts	PhD	Poverty/Growth issues	2002		No
1998	SEGA	Albert Khumalo	Colorado State Univ.	M.A	Development Economics	2000		No
1998	SEGA	Thabo Mabogoane	Syracuse Univ.	PhD	Economics of Education	2002		No
1998	SEGA	Irene Majaja	Williams College	M.A	Development Economics	1999/5	Returned Currently at Eastern Cape Tech.	Yes
1998	SEGA	Thabo Mbeleki	Univ. of Massachusetts	M.A	Macroeconomics	1999/12	Will Need Placement	Yes
1998	SEGA	Lilian Meyer	Colorado State Univ.	M.A	Development Economics	2000/5		No
1998	SEGA	Moeketsi Mosola	Univ. of Houston	M.A	General Economics	2000/5		No
1998	SEGA	Victor Munyama	Univ. of Oklahoma	PhD	Macro & Financial Economics	2002/5		No
1998	SEGA	Alpheus Nelufule	Colorado State Univ.	M.A	Development Economics	2002/5	Was due 2000 but Will pursue a PhD program	No
1998	SEGA	Moses Rangata	Williams College	M.A	Public Finance	1999/5	Joined old employer but is still looking for a job	Yes
1998	SEGA	Baso Sangqu	Vanderbilt Univ.	M.A	Applied/Policy Economics	1999/12	Will Need Placement	Yes
1998	SEGA	Matsie Seritsane	University of Connecticut	MA	Health Economics	1999/12	Return to Dept of Health	?
1999	SEGA	Kenneth Brown	University of Illinois	MA	Public Finance	2001/6	Will Return to Dept. Finance	No
1999	SEGA	Nolundi Dikweni	Brandies University	MA	Trade & Industry Policy	2001/6		No
1999	SEGA	Disenyana Gabriel	Georgia State University	MA	International Economics	2001/6		No
1999	SEGA	Lesley Fisher	Georgia State University	MA	Financial Economics	2001/6		No
1999	SEGA	Kudayja Jhazbhai	University of Florida	PhD	Development Economics	2003/6	Will Return to University	No
1999	SEGA	Matse Keshupilwe	Tufts Univ. Fletcher School	MA	Development Economics	2001/6	Will Need Placement	No
1999	SEGA	Mduduzi Langa	Williams College	MA	Environmental Economics	2001/6	Will Need Placement	No
1999	SEGA	Veronica Mafoko	Georgia State University	MA	Public Finance	2001/6	Will Need Placement	No
1999	SEGA	Mohau Mathibe	Vanderbilt University	MA	Development/Monetary	2001/6	Will Need Placement	No
1999	SEGA	Phumelele Mbiyo	University of Maryland	PhD	Financial Economics	2003/6	Will Need Placement	No
1999	SEGA	Vimal Rannchod	University of Michigan	PhD	Growth Theory	2003/6	Will Need Placement	No
1999	SEGA	Shaeda Sechel	Georgia State University	MA	Development Economics	2001/6	Will Need Placement	No
1999	IIE	Mmatlau Kalaba	Oklahoma State	MA	Agricultural Economics	2001/6	Will Need Placement	No
1999	IIE	Fisa Lembede	Williams College	MA	Development Economics	2001/6	Will Need Placement	No
1999	IIE	Fazel Moosa	?	MA	?	2001/6	Will Need Placement	No

## Annex II: Short Term Training Results

A comparative review of non-degree training programs under SEGA

Training Program	No. of Participants	Participant Days	Cost (USD)	Cost /Day	Cost Includes		
					Tuition	Per Diem	Travel
University of Cape Town, Intergovernmental Fiscal Relations/Performance Budgeting	20	200	88,800	444	√	√	√
Wharton School of Management U. Pennsylvania, USA	2	147	60,000	408		√	√
Harvard HIID (various courses)	8	180	108,000	600	√	√	√
United Nations (IDEP)	3	135	17,500	130	√	√	√
US Security and Exchange Commission	1	10	4,000	400	√	√	√
Public Utilities Research Center, U. Florida, USA	2	20	16,352	817	√	√	√
Economic Literacy Workshops SEGA*	420	1890	380,000	201	√	√	√
Economic Literacy Workshops UWC*	30	135	15,000	111	√	√	√
WTO Seminar*	56	168	18,000	107	√		
Privately organized Fraud and Banking Security	3	9	4,200	467	√		
University of Pretoria Tax Policy Course	6	36	11,500	319	√		
<b>Total</b>	<b>551</b>	<b>2,930</b>	<b>723,352</b>	<b>247</b>			

Caution should be used in comparing these data.

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\* Includes cost of presenters, but not tuition. The SEGA ELW is an estimate for the total of 14 work shops, the UWC ELW is for the first one only and is probably underestimated. The cost of the remaining two UWC ELW are likely to be higher than the first.

### Annex III. Summary of SEGA Sponsored Training Course Results<sup>4</sup>

Distribution of Participants Short-term Training						
	Female	%	Male	%	Total	%
Black	14	3	22	48	36	78
		0				
White	4	9	6	13	10	22
Total	18	3	28	61	46	100
		9				

Distribution of Participants by Location			
Location	Number of Participants	%	Training Days
National	33	72	833
Gauteng	1	2	10
Western Cape	2	4	26
Eastern Cape	3	7	50
Northern Cape	1	2	10
Kwa-Zulu Natal	1	2	10
Northern Province	2	4	20
Mpumalanga	1	2	10
North-West Province	0	--	0
Free State	2	4	20
Total	46	100	989

Distribution of Participants by Department		
Location	Number of Participants	%
Department of Finance	36	78
Department of Trade and Industry	3	7
Department of Transportation	1	2
Office of the Deputy President	1	2
Eastern Cape Department of Economic Affairs	1	2
National Electricity Regulators	1	2
Financial Services Board	1	2
University of the Western Cape	2	4
Total	46	100

<sup>4</sup> Excluding Economic Literacy Workshops

## Annex IV SEGA general and specialized Courses

### A. Economic Literacy Workshops

### B. World Trade Organization Training Seminars

A. Economic Literacy Workshops as of End June 1999

<b>Distribution of Participants Economic Literacy Workshops</b>						
	<b>Female</b>	<b>%</b>	<b>Male</b>	<b>%</b>	<b>Total</b>	<b>%</b>
<b>Black</b>	55	24	111	48	166	72
<b>White</b>	43	19	23	10	66	28
<b>Total</b>	98	43	134	58	232	100

<b>Distribution of Participants by Location</b>			
<b>Location</b>	<b>Number of Participants</b>	<b>%</b>	<b>Training Days</b>
<b>National</b>	120	52	540
<b>Gauteng</b>	13	6	58.5
<b>Western Cape</b>	4	2	18
<b>Eastern Cape</b>	11	5	49.5
<b>Northern Cape</b>	6	3	27
<b>Kwa-Zulu Natal</b>	12	5	54
<b>Northern Province</b>	20	9	90
<b>Mpumalanga</b>	8	3	36
<b>North-West Province</b>	25	11	112.5
<b>Free State</b>	13	6	58.5
<b>Total</b>	232	100	1,044

<b>Distribution of Participants by Department</b>		
<b>Location</b>	<b>Number of Participants</b>	<b>%</b>
<b>Department of Labor</b>	158	68
<b>Department of Trade and Industry</b>	21	9
<b>Department of Transportation</b>	9	4
<b>Department of Public Works</b>	15	6
<b>Department of Public Service and Administration</b>	27	12
<b>Others</b>	2	1
<b>Total</b>	232	100

B. World Trade Organization Training Seminar

<b>Distribution of Participants</b>						
	<b>Female</b>	<b>%</b>	<b>Male</b>	<b>%</b>	<b>Total</b>	<b>%</b>
<b>Black</b>	12	21	33	59	45	80
<b>White</b>	5	9	6	11	11	20
<b>Total</b>	17	30	39	70	56	100

<b>Distribution of Participants by Department</b>		
<b>Location</b>	<b>Number of Participants</b>	<b>%</b>
<b>Department of Trade and Industry</b>	31	55
<b>Department of Agriculture</b>	4	7
<b>Department of Communications</b>	4	7
<b>Department of Finance</b>	3	5
<b>NEDLAC</b>	3	5
<b>Others</b>	11	21
<b>Total</b>	56	100

<b>Distribution of Participants by Location</b>			
<b>Location</b>	<b>Number of Participants</b>	<b>%</b>	<b>Training Days</b>
<b>National</b>	56	100	168
<b>Total</b>	56	100	168

## Annex V: Support to Economic Think Tanks Awards

### A. Grants Awarded to NGOs

GRANTEE	PURPOSE	PERIOD	BUDGET
<b>First Cycle</b>			
African Institute for Policy Analysis (AIPA)	To provide support and strengthen the capacity of AIPA to formulate and evaluate economic policies in the following sectors: <ul style="list-style-type: none"> <li>• Manufacturing</li> <li>• Labor market</li> <li>• Agricultural policy</li> </ul>	The estimated completion date is September 30, 2000  2 years	The total estimated amount of this award is \$358,800
Economic Policy Research Institute (EPRI)	The core activities of this institution is: <ul style="list-style-type: none"> <li>• Develop and analyze economic policy e.g. taxation; local authority frameworks etc</li> <li>• Conferences/workshops</li> <li>• Economic literacy workshop</li> </ul>	The estimated completion date is August 31, 2001  3 years	The total estimated amount of this award is \$260,000
<b>Second Cycle</b>			
Disabled People of South Africa (DPSA)	To provide support and strengthen the capacity of the Disabled People South Africa (DPSA) to formulate, evaluate and implement economic policies relating to disability.  The grant will generate research on economic policy for the disabled which will assist in the promotion of effective measures for prevention of discrimination of the disabled and the realization of the goals of full participation of disabled persons in the country's social and economic life.	The estimated completion date is June 30, 2002.  3 years	The total estimated amount of this award is US\$250,000.
National Institute for Economic Policy (NIEP)	To provide support and strengthen the capacity of the National Institute for Economic Policy (NIEP) to formulate, evaluate and implement economic policies.	The estimated completion date is June 30, 2002.  3 years	<b>The total estimated amount of this award is US\$350,000</b>
<b>Government Supported Grants (Bubble)</b>			
<b>LIMA Rural Foundation</b>	The purpose of this Agreement is to provide support to and strengthen the capacity of the LIMA Rural Foundation to formulate, develop and implement the rental market concept for arable land in Bergville and Escort districts of Kwa-Zulu Natal.	The estimated completion date is June 30, 2002  3 years	The total estimated amount of this award is US\$150,000

## B. Research Support Proposals

<u>INSTITUTE</u>	<u>PROPOSAL TITLE</u>	<u>Grant Value</u>
1. University of Orange Free State	The economic consequences and policy implications of the non-payment of services	1,427,786.80
2. DEPRU – University of Cape Town	Labor demand and labor supply in South Africa	907,748
3. University of Western Cape	Strategic industrial development planning for the agribusiness sector with special reference to food processing in the Northern and Western Cape	812,000
4. Wits University	Proposal for the Southern African Database (Database SA)	350,000
5. Technikon South Africa	Harnessing international aid for increased economic growth and development	487,700
6. University of Pretoria (1)	Fiscal Instruments for the sustainable use and management of South Africa's natural environment	1,000,000
7. University of Pretoria (2)	How to improve the labor absorption capacity of the South African economy	1,250,000
8. Fort Hare University (1)	Ownership utilization and control of agriculture in the Eastern Cape Province	200,000
9. Fort Hare University (2)	Absolute poverty and income inequality in Eastern Cape: Measurement, decomposition and policy issues	160,000
10. University of Venda	Willingness to pay for water in South Africa's rural areas: determinants, policy implications and strategies for cost recovery	274,135

## Annex VI: PROPOSALS RECEIVED AS AT END-AUGUST 1999

The following project and other funding proposals have been received and are being held pending the availability of additional funds. In most cases, they are brief informal proposals at this stage; should funding become available, they will be converted into formal, full-scale proposals in the required SEGA format. The cost estimates shown are provisional at this time.

	Description	Value in Rands
1.	Training courses in labour economics	500,000
2.	Evaluation of the economic impact of the State old age pensions scheme	100,000
3.	Attendance of a Guest Research Programme at the US National Institute of Standards and Technology	450,000
4.	Evaluation of the economic impacts of intelligent licencing for motorised vehicles	600,000
5.	Formulation of an economic strategy for the Highveld District Council	300,000
6.	Assessment of the economic and environmental impacts of the land distribution program in the Eastern Cape Province	1,000,000
7.	Economic SWOT analysis of the tourism industry in North West province and development of a strategy for the growth of this industry as a key component of the regional economy	600,000
8.	Determination of the economic value of environmental conservation in South Africa	500,000
9.	Blaauwberg environmental economics valuation study	450,000
10.	Bursaries for 100 certificates in economics	400,000
11.	DEAT follow-on projects:	
	- 2 <sup>nd</sup> training course in environmental resource economics	300,000
	- extension to natural resource rehabilitation project	600,000
	- scoping study to establish a national framework for individual resource valuation studies	300,000

Total cost for these projects is R6,100,000 (\$1,016,000)